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PP RUEHAO RUEHCD RUEHGA RUEHGD RUEHGR RUEHHA RUEHHO RUEHMC RUEHNG
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DE RUEHCV #0598 1211943
ZNR UUUUU ZZH
P 301943Z APR 08
FM AMEMBASSY CARACAS
TO RUEHC/SECSTATE WASHDC PRIORITY 1048
INFO RUEHWH/WESTERN HEMISPHERIC AFFAIRS DIPL POSTS
RUEHBO/AMEMBASSY BOGOTA 7776
RUEHLP/AMEMBASSY LA PAZ 2745
RUEHPE/AMEMBASSY LIMA 1021
RUEHQT/AMEMBASSY QUITO 2836
RUCPDO/DEPT OF COMMERCE
RUEATR/DEPT OF TREASURY
RUMIAAA/HQ USSOUTHCOM MIAMI FL

UNCLAS CARACAS 000598

SIPDIS

SIPDIS

HQ SOUTHCOM ALSO FOR POLAD
TREASURY FOR MMALLOY
COMMERCE FOR 4431/MAC/WH/MCAMERON

E.O. 12958: N/A

TAGS: [EAGR](#) [ECON](#) [PGOV](#) [VE](#)

SUBJECT: BLACK-OUT HITS FIFTY PERCENT OF VENEZUELA

REF: A. 2007 CARACAS 132

[1](#)B. CARACAS 341

[1](#)1. (SBU) Summary: On April 29, a black-out caused chaos for several hours in thirteen Venezuelan states. The BRV described it as a failure in the national grid system due to a forest fire near key, high tension lines. The incident drew attention to the lack of investment in Venezuela's largely state-owned electricity sector. End Summary.

[1](#)2. (SBU) According to General Hipolito Izquierdo, President of the National Electrical Corporation, the power failure resulted from a forest fire close to high tension lines. He stated service has been restored in 85 percent of the country. Media reports indicated the black-out was due to poor operations and maintenance at the large hydroelectric plant Raul Leoni in the state of Bolivar.

[1](#)3. (SBU) The black-out hit Caracas during rush hour, causing chaos throughout the city. Passengers were trapped in the city's Metro, and traffic came to a stand-still. Rumors flew that a coup was in progress. The Minister of Justice and Interior was quick to state there was no emergency in the country, just a partial lack of electrical service, which was being restored.

[1](#)4. (SBU) An oil executive told us on April 30 service was halted at Maracaibo International Airport due to a lack of back-up generators. The airport had emergency lighting but airline personnel were unable to check passengers in since their computers did not function.

[1](#)5. (SBU) The BRV has been promising to increase investment in the country's electricity sector. In March 2008 the president of state-owned Electricidad de Caracas (EDC) announced they would invest USD 3.3 billion, but gave no details. (Note: EDC was formerly owned by US firm AES before its nationalization in 2007 (ref A.) End Note.) On April 9 Chavez announced he would use 1 billion dollars from a joint fund with China to improve service in the electricity sector.

[1](#)6. (SBU) In spite of these promises, the Electrical Workers Federation of Venezuela (FETRAELEC) has led strikes and demonstrations in recent months to highlight the deteriorating power infrastructure. FETRAELEC President Angel Naves has stated that "actions of higher profile" are

needed to direct attention to the state of Venezuelan
electrical plants (ref B.)
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